



# Northwestel says competition would drive up Northerners' phone bills

CBC News Posted: Oct 18, 2011 8:42 AM CT | Last Updated: Oct 18, 2011 8:40 AM CT 30

Northwestel says opening up the entire North to competition for local phone service could drive up telephone bills for consumers.

"We've estimated it will cost over \$30 million," said Curtis Shaw, vice-president of consumer and small business for Northwestel. "One of the things we're trying to look for is who is going to pay for that? Does it get paid for by the rate base? Does it get paid for by southerners? Does it get paid for by SSI Micro?"

Internet provider SSI Micro recently launched long-distance telephone service in Nunavut with a device called a chat box that connects a telephone to a modem. It has asked the Canadian Radio-television and Telecommunications Commission to open up the local phone service market so users of the device can make calls within their community.

## Federal subsidy

Northwestel is heavily subsidized through the federal government, Shaw said, adding the company loses money in 94 smaller communities where it costs \$100 per customer just to maintain a phone line, while Northwestel charges \$30.

It would be a more realistic proposition to open only larger centres to competition in local phone service, he said.

"Right now one of our position statements here is it does not make sense just to open up the entire North to local competition," he said. "What we've proposed is to open competition initially in Whitehorse, Yellowknife and Iqaluit."

The CRTC is expected to make a decision by the end of 2011.

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**the sizzle**

2011/10/21 at 8:59 AM ET

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Competition...would drive up costs? What kind of economics is that? I think NWTel is on the way out...dinosaurs are extinct, after all...

**NotJaded**

2011/10/19 at 12:12 PM ET

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Is it just me or is this only about local telephone competition? I see no mention of competition for Internet. Please read the article and you shall see!

**Northern Sire**

2011/10/19 at 8:27 AM ET

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I think NW TEL is talking about their Russian accounts? Only profit hungry CEO's would bring up an article using "scare" tactics such as this.

**Arctic Dude**

2011/10/19 at 7:29 AM ET

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I'd write a really long post about this but it would put me over the Northwestel bandwidth cap and I'd have to get a second job to pay for it.

It's time for some competition.

**Urban Native**

2011/10/19 at 12:56 AM ET

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True, cause when Westjet started flying to Yellowknife, it sure increased the cost of airfare. Right?